

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission
Autorite des marches financiers
New Brunswick Securities Commission
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Superintendent of Securities, Newfoundland and Labrador
Registrar of Securities, Northwest Territories
Registrar of Securities, Yukon Territory
Registrar of Securities, Nunavut

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C/O

John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West, Suite 1903, Box 55
Toronto, ON M5H 3S8

RE - Public Comment – Point of Sale

December 18, 2008

Dear Mr. Stevenson,

Please accept this document as our comment on the proposed **Point of Sale** framework, provided on behalf of Assante Wealth Management (AWM) Ltd., in response to your invitation for comment.

Thank you in advance for your consideration of these comments. If you wish to discuss these further, please do not hesitate to contact myself, Frank Hurst @ 416-681-1432.

Thank you.



Frank Hurst
VP, Chief Compliance Officer
Assante Wealth Management

Delivery

Method

We propose that you permit dealers to alert clients as to location of Fund Facts documents posted within a mutual fund manager or insurer website. Once alerted, there would be no subsequent requirement to provide such notification. The current proposal requires notification each time, subject to the parameters of the proposal, and this proposed approach might be seen by investors as unnecessarily repetitive.

In addition, we propose providing investors with the option to receive their Fund Facts document either before or within a set timeframe of placing the order. We note that delivery of Fund Facts with a trade confirmation is unworkable given that different parties may send confirms than those who will send out Fund Facts.

Cooling-off right

With respect to the proposed rule to permit investors to cancel a purchase within two business days after receiving trade confirmation, the following issues should be considered:

- Reference is made to the requirement for the client to notify of a cancellation in writing. Does this include e-mail?
- Must the dealer confirm receipt of this cancellation request to be valid? Without dealer confirmation, there is a possibility that a client may claim to have alerted the dealer without the dealer properly receiving such notification.

Investor Initiated Orders

The current proposal permits greater flexibility with respect to the point of sale disclosure requirement where by the mandatory disclosure may be provided before, at point of sale or upon receipt of a trade confirmation. This raises the question of the meaning of “investor-initiated”? For instance, must the security, order type and timing be conceived entirely by the investor to be considered an investor-initiated order? If an Advisor offers a number of different options at account opening and, a year later, the client calls to take action based on their own recent research, which happens to mirror a recommendation a year ago, would this be considered an investor-initiated order?

It might be useful to describe what elements are necessary to determine what constitutes an “investor-initiated” order.

Annual Delivery

We suggest that dealers and insurers be permitted to advise clients of the location of the Fund Facts documents on their respective websites in lieu of providing investors with the option of receiving such fact sheets on an annual basis.

Volatility

There is a standard disclosure contained within the Fund Facts sheets, that reads as follows:

...there were X years when people who owned this fund lost some of the money they had at the start of the year.

This statement is misleading. An investor who purchases an investment January 1st and holds the same position, that goes down in value, only has “lost some of the money they had” upon sale of the position. There needs to be a distinction made between paper losses and realized losses. Better disclosure would be: “three out of ten calendar years, the value of the fund declined over the course of a calendar year”.

Suitability

Within the section titled, “Who is this fund for”, is it inappropriate to provide such advice as “Don’t buy this fund if you need a steady source of income from your investment”. Would it be more appropriate to add a bulletin to the sub-section, “Investors who:” with the following information:

- *Seek growth in capital more so than a regular stream of income*

This approach moves away from providing investment advice and instead provides a more factual approach to disclosure.

Role of prospectus

As the proposal intends to keep the prospectus requirement, notwithstanding the introduction of the Fund Facts documents, it makes sense to refer investors on the Fund Facts document to the prospectus for more details. This would help address the danger that both a client and their advisor rely on the Fund Facts document to the exclusion of the prospectus. Advisors must understand that reliance on only a Fund Facts document to learn about a product and determine suitability for a client is inadequate.

Top 10 investments

If the Fund Facts documents will list Top 10 investments, it should include a disclaimer that these are subject to change. Since the information is subject to change, we question the usefulness of this information.

Managed Products

How will managed products be addressed? Where there is a fund of funds, will there be one main Fund Facts document provided or all fund fact sheets for each of the funds within the main fund? If the latter is the case, we suggest that this would confuse investors.

General

Imposition of this proposed framework exceeds the disclosure requirements with respect to non-mutual fund/segregated fund products. As such, this disclosure places a

heightened burden with respect to the distribution of mutual funds and segregated products and may result in a narrowing of the product shelf. Advisors may turn to other products where such restrictions do not apply and, in turn, fund companies may offer fewer funds in response to this decrease in demand. This will ultimately be to the detriment of investors.